

**BRIDGE ENTERPRISE BOARD OF DIRECTORS**  
**SUBCOMMITTEE**  
**Meeting Minutes for**  
**October 8, 2010**

**ATTENDEES:**

CDOT Staff:

P. Hutton  
B. Stein  
H. Morrow  
M. Leonard

Consultants:

K. Szeliga (AECOM)      M. McDole (LSG)  
M. Mehalko (AECOM)    J. Gaudette (LSG)  
C. Trujillo (AECOM)     J. Mellini (Stifel)  
J. Laipply (AECOM)      S. Brown (Stifel)

CBE Board:

R. George  
G. Reiff  
T. Rogers  
K. Killin  
J. Erickson

- I. The Notes from the September 15, 2010 BE workshop were reviewed without comment.
  
- II. BEPM Transition  
AECOM has moved into CDOT HQ and is actively collecting data from the regions and accounting. LS Gallegos has assisted with information and attended meetings at the regions to ensure a smooth transition.
  
- III. FY 2011 Work Plan Update  
At this time the 2011 work plan has not changed substantially. Small changes in advertisement dates and dollars have been made. A new update will be provided when final feedback is received from the regions.
  - Previous discussions have considered deleting a bridge in Region 6 and adding a bridge from Region 2. Targeting the acceleration of Region 2 Bridge J-15-B (SH9 over Currant Creek).
  - We are also looking to other Regions to add potential bridge candidates to the plan.
  - We have new direction that we may want to show some cash reserve and therefore may not maximize the use of the \$40 million dollar loan.
  - AECOM is working with the regions developing a cost loaded schedule for the 2011 plan.
  
- IV. Financial Review FY 2011 Bridge List
  - This month there will be a resolution to transfer bridges F-11-AC and F-11-AB to the Bridge Enterprise. Each has Tabor impacts of \$700K for a total Tabor impact of \$1.4M. This should be the last Tabor impact for the year and to date we are well below the Tabor limit.

V. Proposed 4<sup>th</sup> Budget Supplement for October

The Bridge Enterprise will be requesting the following allocations:

- a. Region 3 needs \$150K for acquiring ROW on structure F-09-H
- b. Bridge Enterprise operating expenses in the amount of \$20K.
- c. Approximately \$6.1M of Federal Funds to be transferred to BE (swap of state dollars) to complete the design of FY 2001 construction projects (addresses 12 bridges).

VI. Bridge Enterprise Bond Financial Plan

A. Status of Draft Bond Documents

A bond meeting was held on Wed. Oct 6<sup>th</sup> with CDOT, Bond Counsel, Disclosure Counsel, Stifel Nicolaus, and Underwriters. Key issues discussed included:

- i. We will apply for “AA” category bond rating by utilizing cash reserves to lower the interest rate. This will limit the amount of bonding we can pursue.
- ii. Projected “AA” coverage ratio’s 2 - 2.25
- iii. Future bond issuances may be Municipal bonds at lower interest rates.
- iv. We could utilize a long term BABS to refund the bank loan utilizing tax exempt dollars.
- v. The Commission elected to sign a “moral obligation” or intent to make an annual transfer of \$15M dollars of Federal dollars to the Enterprise. This will improve our interest rate and attractiveness in the market.
  1. We need to verify there are no constraints preventing the transfer
  2. It was noted that adding this commitment of Federal money will change the way that the program is managed in order to meet Federal requirements.
- vi. We will require a “debt service reserve funds” in the amount necessary to cover bond payments over 6 to 12 months.

B. Status of Draft POS

- a. Bond Documents will be complete on Oct. 20<sup>th</sup>
- b. Submit to the rating agencies on Oct 21.
- c. Nov. 5<sup>th</sup> the Enterprise will meet with the rating agencies.

C. Status of Program Plan

- a. A draft of the financial plan will be distributed today for review.
- b. The CDOT regions produced cost estimates and schedules for each bridge provided in the draft plan and are currently reviewing the data presented in the draft.

- c. A quarterly cash flow will also be provided with the final document
- d. The plan will be finalized and submitted to Stifel Nicolaus on Oct. 15.

VII Presentation on BE Statistical Progress Report

The commission would like AECOM to present a draft of the project performance update to develop a standard monthly reporting template. Samples will be provided at the workshop.

VIII Agenda for October 20 BE workshop and October 21 BE Board Meeting

Draft Agendas have been sent out for both the Workshop and the Board Meeting. No comments or adjustments need to be made to the Agendas.

Other:

The commission requested some schedules and data regarding the upcoming bond scenarios. The information will be provided to the commissioners next Thursday via email.